

# COMMITTEE REPORT

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## MADAM PRESIDENT:

The Senate Committee on Health and Provider Services, to which was referred Senate Bill No. 416, has had the same under consideration and begs leave to report the same back to the Senate with the recommendation that said bill be AMENDED as follows:

- 1       Page 1, between the enacting clause and line 1, begin a new  
2 paragraph and insert:  
3       "SECTION 1. IC 16-18-2-52.5 IS AMENDED TO READ AS  
4 FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 52.5. (a) "Charity  
5 care", for purposes of IC 16-21-6, ~~and IC 16-21-6.5~~, IC 16-21-9,  
6 **IC 16-21-9.5, IC 16-24.5-6, and IC 16-24.5-7** means the unreimbursed  
7 cost to a hospital, **an ambulatory outpatient surgical center, or a**  
8 **diagnostic imaging facility** of providing, funding, or otherwise  
9 financially supporting health care services:  
10       (1) to a person classified by the hospital, **ambulatory outpatient**  
11 **surgical center, or diagnostic imaging facility** as financially  
12 indigent or medically indigent on an inpatient or outpatient basis;  
13 and  
14       (2) to financially indigent patients through other nonprofit or  
15 public outpatient clinics, hospitals, or health care organizations.  
16       (b) As used in this section, "financially indigent" means an  
17 uninsured or underinsured person who is accepted for care with no  
18 obligation or a discounted obligation to pay for the services rendered  
19 based on the ~~hospital's~~ financial criteria and procedure **of the hospital,**  
20 **an ambulatory outpatient surgical center, or a diagnostic imaging**  
21 **facility** used to determine if a patient is eligible for charity care. The

criteria and procedure must include income levels and means testing indexed to the federal poverty guidelines. A hospital, **an ambulatory outpatient surgical center, or a diagnostic imaging facility** may determine that a person is financially or medically indigent under the ~~hospital's~~ eligibility system **of the hospital, ambulatory outpatient surgical center, or diagnostic imaging facility** after health care services are provided.

(c) As used in this section, "medically indigent" means a person whose medical or hospital bills after payment by third party payors exceed a specified percentage of the patient's annual gross income as determined in accordance with the ~~hospital's~~ eligibility system **of the hospital, ambulatory outpatient surgical center, or diagnostic imaging facility**, and who is financially unable to pay the remaining bill.

SECTION 2. IC 16-18-2-64.4 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 64.4. "Community", for purposes of IC 16-21-6, ~~and IC 16-21-6.5~~, IC 16-21-9, **IC 16-21-9.5, IC 16-24.5-6, and IC 16-24.5-7** means the primary geographic area encompassing at least the entire county in which the hospital, **ambulatory outpatient surgical center, or diagnostic imaging facility** is located and patient categories for which the hospital, **ambulatory outpatient surgical center, or diagnostic imaging facility** provides health care services."

Page 1, between lines 15 and 16, begin a new paragraph and insert:

"SECTION 5. IC 16-18-2-77.5 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 77.5. (a) "Contributions", for purposes of IC 16-21-6, IC 16-21-6.5, IC 16-21-9, IC 16-21-9.5, IC 16-24.5-6, and IC 16-24.5-7, means the dollar value of cash donations and the fair market value at the time of donation of in kind donations to the hospital, ambulatory outpatient surgical center, or diagnostic imaging facility from individuals, organizations, or other entities.

(b) The term does not include the value of a donation designated or otherwise restricted by the donor for purposes other than charity care."

Page 2, line 14, delete "IC 16-21-2 and".

Page 2, line 15, delete "facility, physical location," and insert "**place, an entity, an enterprise, a**".

Page 2, line 15, delete "vehicle:" and insert "**a vehicle**".

Page 2, delete line 16.

Page 2, line 17, delete "(2) where diagnostic imaging services are

1 provided" and insert "**that provides diagnostic imaging services**".

2 Page 2, run in lines 15 through 17.

3 Page 2, line 25, delete "thirty-five" and insert "**forty**".

4 Page 2, line 25, delete "(35%)" and insert "**(40%)**".

5 Page 2, line 29, after "payor." insert "**The calculation of the forty**  
6 **percent (40%) limitation is based on the billed health care services**  
7 **and the billed diagnostic imaging services provided by all the**  
8 **physicians in the office.**".

9 Page 3, line 11, delete "IC 16-21-2 and".

10 Page 3, delete line 13.

11 Page 3, line 14, delete "(2)" and insert "**(1)**".

12 Page 3, line 15, delete "(3)" and insert "**(2)**".

13 Page 3, line 16, delete "(4)" and insert "**(3)**".

14 Page 3, line 17, delete "(5)" and insert "**(4)**".

15 Page 3, line 18, delete "(6) Ultrasonography." and insert "**(5)**  
16 **Ultrasonography, except when used in the course of providing**  
17 **obstetrical care.**".

18 Page 3, line 19, delete "(7)" and insert "**(6)**".

19 Page 3, line 20, delete "(8)" and insert "**(7)**".

20 Page 4, between lines 2 and 3, begin a new line block indented and  
21 insert:

22 "**(5) Mammography.**

23 SECTION 9. IC 16-18-2-99.5 IS AMENDED TO READ AS  
24 FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 99.5. "Donations", for  
25 purposes of IC 16-21-6, ~~and~~ **IC 16-21-6.5**, IC 16-21-9, **IC 16-21-9.5**,  
26 **IC 16-24.5-6**, ~~and~~ **IC 16-24.5-7**, means the unreimbursed costs of  
27 providing cash and in kind services and gifts, including facilities,  
28 equipment, personnel, and programs, to other nonprofit or public  
29 outpatient clinics, hospitals, **ambulatory outpatient surgical centers**,  
30 **diagnostic imaging facilities**, or health care organizations.".

31 Page 4, delete lines 10 through 14.

32 Page 6, between lines 23 and 24, begin a new paragraph and insert  
33 the following:

34 "SECTION 17. IC 16-18-2-342.4 IS AMENDED TO READ AS  
35 FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 342.4. (a) "Subsidized  
36 health services", for purposes of IC 16-21-6, ~~and~~ **IC 16-21-6.5**,  
37 IC 16-21-9, **IC 16-21-9.5**, **IC 16-24.5-6**, ~~and~~ **IC 16-24.5-7**, means  
38 services that:

39 (1) are provided by a hospital, **an ambulatory outpatient**  
40 **surgical center, or a diagnostic imaging facility**, in response to  
41 community needs, for which the reimbursement is less than the  
42 ~~hospital's~~ cost for providing the services **by the hospital**,

**ambulatory outpatient surgical center, or diagnostic imaging facility; and**

(2) must be subsidized by other hospital, **ambulatory outpatient surgical center, diagnostic imaging facility,** or nonprofit supporting entity revenue sources.

(b) Subsidized health services may include:

(1) emergency and trauma care;

(2) neonatal intensive care;

(3) free standing community clinics; and

(4) collaborative efforts with local government or private agencies in preventive medicine, such as immunization programs.

(c) As used in this section, "nonprofit supporting entity" means a nonprofit entity that is created by the hospital, **ambulatory outpatient surgical center, or diagnostic imaging facility** or the ~~hospital's~~ parent entity **of the hospital, ambulatory outpatient surgical center, or diagnostic imaging facility** to further the charitable purposes of the hospital, **the ambulatory outpatient surgical center, or the diagnostic imaging facility** and that is owned or controlled by the hospital, **the ambulatory outpatient surgical center, or the diagnostic imaging facility** or the ~~hospital's~~ parent entity **of the hospital, ambulatory outpatient surgical center, or diagnostic imaging facility.**

SECTION 18. IC 16-18-2-361.5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 361.5. (a) "Unreimbursed costs", for purposes of IC 16-21-6, ~~and IC 16-21-6.5,~~ IC 16-21-9, **IC 16-21-9.5, IC 16-24.5-6, and IC 16-24.5-7,** means the costs a hospital, **an ambulatory outpatient surgical center, or a diagnostic imaging facility** incurs for providing services after subtracting payments received from any source for such services, including the following:

(1) Third party insurance payments.

(2) Medicare payments.

(3) Medicaid payments.

(4) Medicare education reimbursements.

(5) State reimbursements for education.

(6) Payments from drug companies to pursue research.

(7) Grant funds for research.

(8) Disproportionate share payments.

(b) For purposes of this definition, **hospital** costs must be calculated by applying the aggregate cost to charge ratios for all hospital services derived from the hospital's Medicare cost report to billed charges. Before January 1, 1997, for purposes of this definition, charitable

contributions and grants to a hospital, including transfers from endowment or other funds controlled by the hospital, or the hospital's nonprofit supporting entities, shall not be subtracted from the costs of providing services for purposes of determining unreimbursed costs. Beginning January 1, 1997, for purposes of this definition, charitable contributions and grants to a hospital, including transfers from endowment or other funds controlled by the hospital, or the hospital's nonprofit supporting entities shall not be subtracted from the costs of providing services for purposes of determining the unreimbursed costs of charity care and government sponsored indigent health care.

(c) As used in this section, "government sponsored indigent health care" has the meaning set forth in IC 16-21-9-2.

(d) As used in this section, "nonprofit supporting entity" means a nonprofit entity that is created by the hospital, **the ambulatory outpatient surgical center, or the diagnostic imaging facility** or the ~~hospital's~~ parent entity **of the hospital, the ambulatory outpatient surgical center, or the diagnostic imaging facility**, to further the charitable purposes of the hospital, **the ambulatory outpatient surgical center, or the diagnostic imaging facility** and that is owned or controlled by the hospital, **the ambulatory outpatient surgical center, or the diagnostic imaging facility** or the ~~hospital's~~ parent entity **of the hospital, the ambulatory outpatient surgical center, or the diagnostic imaging facility."**

Page 7, line 32, delete "hospital" and insert "**center**".

Page 8, delete lines 18 through 42.

Delete page 9.

Page 18, line 39, delete "Three (3)" and insert "**Two (2)**".

Page 18, line 41, after "(4)" insert "**One (1) individual who is:**

**(A) a radiological technologist; and**

**(B) certified by the American Registry of Radiologic Technologists.**

**(5)".**

Page 18, line 42, delete "(5)" and insert "**(6)**".

Page 20, line 42, after "Sec. 1." insert "**(a)**".

Page 20, after line 42, begin a new paragraph and insert:

**"(b) This article does not apply to an entity or a location described in IC 16-18-2-94.5(b) unless the entity or a location meets the forty percent (40%) limitation described in IC 16-18-2-94.5(b)(1)."**

Page 25, line 37, delete "An agency, a building, an institution, a place" and insert "**A place, an entity, an enterprise,**".

Page 25, line 39, delete "agency, building, institution,".

- 1 Page 25, line 39, after "place," insert "**entity, enterprise,**".
- 2 Page 26, line 3, delete "an agency, a building, an institution,".
- 3 Page 26, line 3, after "place," insert "**an entity, an enterprise,**".
- 4 Page 34, line 34, after "2005]:" insert "IC 16-18-2-69.4;
- 5 IC 16-18-2-69.5;".
- 6 Page 36, line 30, delete "committee." and insert "**commission.**".
- 7 Renumber all SECTIONS consecutively.  
(Reference is to SB 416 as introduced.)

**and when so amended that said bill do pass and be reassigned to the Senate Committee on Appropriations.**

Committee Vote: Yeas 9, Nays 0.

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**Senator Miller, Chairperson**